

Message Text

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PAGE 01 QUITO 06607 262243Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----035876 270337Z /72

R 232037Z SEP 77
FM AMEMBASSY QUITO
TO USDOC WASHDC
INFO SECSTATE WASHDC 5847
AMCONSUL GUAYAQUIL

UNCLAS QUITO 6607

E.O. 11652: N/A

TAGS: BENC, EC, EINV

SUBJECT: INVESTMENT OPPORTUNITY - FACILITIES FOR THE PRODUCTION OF
SOYBEAN OIL, SOYBEAN MEAL, AND CORN MEAL

1. CENDES, ECUADOR'S CENTER OF INDUSTRIAL DEVELOPMENT,
IS DEVELOPING A THREE-FACETED INVESTMENT OPPORTUNITY FOR
THE PRODUCTION OF SOYBEAN OIL, SOYBEAN MEAL, AND CORN MEAL.

2. SCALE OF PRODUCTION OF INTENDED FACILITIES:

PRODUCT	ANNUAL PRODUCTION IN TONS
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UNREFINED SOYBEAN OIL	880
SOYBEAN MEAL	3,700
CORN MEAL	13,000

THIS PRODUCTION WILL BE SUPPLIED FROM 4,000 HECTARES
CULTIVATED WITH SOY AND CORN.

3. PROJECTION OF TOTAL REQUIRED INVESTMENT:

CATEGORY	DOLLARS	PERCENT
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FIXED INVESTMENT	2,767,692	84
OPERATING CAPITAL	545,131	16

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TOTAL	3,312,823	100
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AGRICULTURAL ASPECTS

LAND AND INFRASTRUCTURE	1,000,000	36
MACHINERY AND EQUIPMENT	723,077	26

INDUSTRIAL ASPECTS

CONSTRUCTION	84,615	3
MACHINERY AND EQUIPMENT	634,615	23

OTHER ASSETS	325,385	12
TOTAL	2,767,692	100

4. FINANCING:

CATEGORY DOLLARS

PAID-IN CAPITAL	1,812,823
DEBT (FROM GOE SOURCES)	1,500,000

GOE AGRICULTURAL FINANCING: US\$577 THOUSAND, 10 YEARS, 2 YEARS GRACE, 10 PERCENT INTEREST.
GOE INDUSTRIAL FINANCING: US\$500 THOUSAND, 10 YEARS, 2 YEARS GRACE, 12 PERCENT INTEREST.
GOE OPERATING CAPITAL FINANCING: US\$423 THOUSAND, 4 YEARS, 1 YEAR GRACE, 12 PERCENT INTEREST.

5. DOMESTIC DEMAND SUBSTANTIALLY EXCEEDS DOMESTIC PRODUCTION FOR ALL THREE PRODUCTS UNDER CONSIDERATION. A WORLD SHORTAGE IN THESE PRODUCTS ALSO EXISTS.

6. THIS PROJECT IS AMONG THOSE BEING PROMOTED FOR NATIONAL INDUSTRIAL DEVELOPMENT PURPOSES. IT IS INCLUDED IN CATEGORY "A" OF THE NATIONAL DEVELOPMENT LAW AND IS SUBJECT TO THE PREFERENTIAL TREATMENT CONTEMPLATED THEREIN. IF LOCATED IN ONE OF THE "DEVELOPMENT ZONES", ESSENTIALLY OUTSIDE OF QUITO AND GUAYAQUIL, THIS PROJECT IS SUBJECT
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TO ADDITIONAL PREFERENTIAL TREATMENT. A THUMBNAIL SKETCH OF PREFERENCES WOULD INCLUDE, INTER ALIA: 10 YEAR EXONERATION OF MOST TAX LIABILITIES; DEDUCTION FROM OR EXONERATION OF INCOME TAX LIABILITIES UP TO THE AMOUNT OF CAPITAL INVESTED; CONCESSIONAL FINANCIAL ASSISTANCE; AND A 10 YEAR RELAXATION OF LABOR REQUIREMENTS.

7. FOR MORE INFORMATION ABOUT THIS PROJECT AND THE PERTINENT INCENTIVES, POTENTIAL INVESTORS SHOULD CONTACT:

DR. MARCO BRAVO
GERENCIA TECNICA
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TELEX: 2350-ED
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENTS, SOYBEAN OIL, SOYBEANS, MEAL
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO06607
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770350-1198
Format: TEL
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770928/aaaaaxgz.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
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SAS ID: 1152468
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TAGS: BENC, EINV, EAGR, EC
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/bbeecc3e-c288-dd11-92da-001cc4696bcc
Review Markings:
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